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June 20, 1949

WORLD WOOL PRODUCTION IN 1949

World wool production in 1949 1/ is estimated at 3.7 billion pounds, an increase of 10 million pounds over a year earlier, according to information available to the Office of Foreign Agricultural Relations. The estimate is approximately 5 percent below the 1936-40 average of 3.9 billion pounds.

The strong demand for wool and the resulting high prices on the world market for the past several years have provided producers with the incentive either to increase or to maintain wool production in all of the major producing countries except the United States.

Favorable wool prices, which were expected to encourage a larger production in 1948, were partially offset by unfavorable weather conditions in a few important countries and by competition with other farm enterprises in other countries. The sheep-raising and wool-producing industry is readily affected by weather conditions, and less quickly by economic influences.

WOOL: Estimated world production, greasy basis, by continents, average 1936-40, annual 1944-49

Continent	Average 1936-40	1944	1945	1946	1947	1948	1949
	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.
No. America	452	442	409	370	335	304	286
Europe	480	412	382	391	384	408	396
U.S.S.R.	310	277	282	287	286	305	315
Asia	344	327	333	340	331	341	337
So. America	639	772	790	810	754	696	698
Africa	337	305	298	284	265	270	271
Oceania	1,366	1,389	1,301	1,337	1,365	1,400	1,425
Total 1/	3,930	3,930	3,800	3,820	3,720	3,720	3,730

1/ Rounded to tens of millions.
Office of Foreign Agricultural Relations, June 20, 1949.

1/ Based upon estimates of the clip now being shorn in the Northern Hemisphere and a forward estimate to the Southern Hemisphere clip for the season beginning in September and October, including both apparel and carpet wool.

A larger wool production in 1949 is indicated for South America, Africa, Oceania (Australia and New Zealand) and the Soviet Union, than a year ago. Also, the output in South America, Oceania and the Soviet Union is considerably above the 1936-40 average, while Africa is still about one-third below. Generally, pasture and feed conditions for sheep-raising and wool production have been favorable during the past year, except in a few provinces of Argentina, Union of South Africa, and a portion of Australia. On the other hand, North American production estimates indicate the continuance of the downward trend and estimates for Europe and Asia are also somewhat below last year. Production in these areas is 37 percent, 20 percent and 4 percent, respectively, below the 1936-40 average. The lower production reflects primarily the smaller number of sheep in those continents.

Production of wool in Canada and the United States in 1949 probably will continue the downward trend which has been in effect for the past several years. Both countries are practically one-third below their respective prewar levels. With other countries in North America producing about the same as last year, the total 1949 wool production for the continent is estimated at only 286 million pounds, about 165 million pounds below the 1936-40 prewar average.

In Europe, wool production for the current year showed a decline from a year earlier. Production, however, was maintained in most countries and increased in some. The output in Spain, one of the principal producing countries, may fall from 88 to 66 million pounds as a result of the severe drought in the latter part of 1948 and early 1949. The indigenous production in the United Kingdom, a major importing country, is expected to be 80 million pounds, a further increase from last year, reflecting recovery from the unfavorable weather conditions in 1946 and 1947. France and Italy have increased production somewhat over last year, but are still below prewar. Eastern European countries made small gains in wool output over the past year, but also are somewhat below prewar production. The European total, however, is approximately 396 million pounds as compared to 408 million pounds for the previous year and 480 million pounds for the prewar years. The Soviet Union is expected to increase its production above 1948 and is now believed to be slightly above prewar.

Only minor changes in wool production are expected for countries in Asia with the exception of Turkey and Iraq. These 2 countries report a decrease of 3 million and 5 million pounds respectively. The total Asiatic production is indicated at 331 million pounds, compared with 341 million pounds for last year and 344 million pounds for the prewar average.

Wool production prospects in South America for the season beginning this fall are only slightly greater than 1948. The major producing countries of Argentina and Uruguay are not expected to increase their production, due in part to weather conditions, competing crops and reduced exports resulting from prices being held above the world level. Production in Brazil is estimated at 48 million pounds in 1949, approximately the same as the last two years. Output in Chile is likely to increase from 42 million to around 46 million pounds. The total production in South America is expected to be approximately 698 million pounds in comparison with 696 million pounds for 1948 and 639 million pounds in the prewar years 1936-40.

The output in the Union of South Africa, the largest wool-producing country on the African continent, is estimated to be about 8 percent below the 1936-40 average. The present drought conditions are expected to affect the lambing percentages, quality and quantity of wool. This will halt the upward trend and generally slow down the recovery to the prewar level.

With good growing weather over the greater part of Australia's pastoral areas, the present outlook for 1949 season is promising and is now estimated at about 1.1 billion pounds. This is the third consecutive year that production has exceeded 1 billion pounds. Production this season will be approximately 4 percent greater than the 1936-40 average, but somewhat under the peak years of 1941, 1942 and 1943.

Wool production in New Zealand this year is expected to be only slightly under the 335 million pounds of last year. Recent high prices paid for breeding stock indicate considerable interest in flock expansion.

The wide interest shown in breeding stock in most countries, together with a relatively high rate of consumption and high world prices, is likely to encourage an increase in sheep numbers and larger world wool production.

This is one of a series of regularly scheduled reports on world agricultural prospects approved by the Office of Foreign Agricultural Relations Committee on Foreign Crops and Livestock Statistics. For this report, the committee was composed of Joseph A. Becker, Chairman, C. M. Purves, Elmer A. Reese, Eugene T. Ransom, and Lazar Volin.

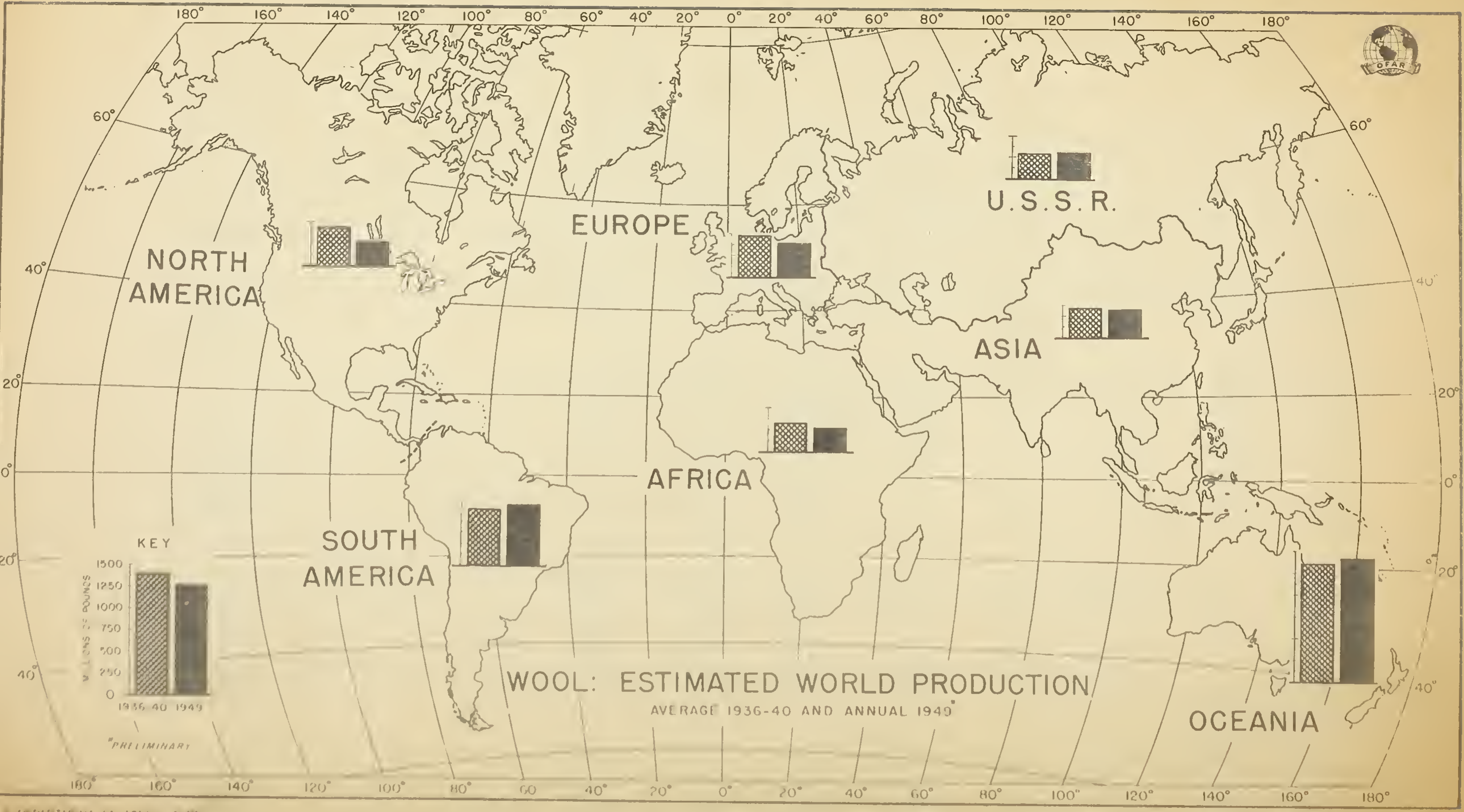
WOOL: Production in specified countries, greasy basis
averages 1931-35 and 1936-40, annual 1944 to 1949 1/

Continent and country	Averages 1931-35	Averages 1936-40	1944	1945	1946	1947	1948 2/	1949 2/
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
NORTH AMERICA								
Canada	17.3	15.6	19.3	19.6	17.1	14.1	11.9	10.0
United States								
Shorn	366.3	360.6	338.3	307.9	280.4	252.8	233.9	-
Pulled	64.8	64.7	73.5	70.5	61.3	56.6	46.6	-
Total	431.1	425.3	411.8	378.4	341.7	309.4	280.5	265.0
Estimated total 3/	458.2	451.7	442.2	409.2	370.0	334.7	303.6	286.2
EUROPE								
Austria	1.2	1.3	2.0	2.0	1.7	1.8	2.0	-
Bulgaria	26.8	28.7	4/ 23.4	4/ 19.3	4/ 21.9	4/ 25.7	4/ 28.6	4/ 30.0
Eire	18.4	17.2	15.9	16.1	14.5	13.0	12.0	11.0
Estonia	1.9	-	-	-	-	-	-	-
Finland	2.3	2.7	2.2	2.2	2.6	2.4	2.4	2.4
France 5/	36.9	37.1	26.0	25.0	26.5	28.6	29.3	30.0
Germany 6/	-	31.7	37.0	34.0	25.7	25.4	26.8	27.8
Greece	17.7	19.3	9.3	11.2	14.5	16.9	16.4	16.2
Hungary	11.4	12.9	8.2	2.3	3.3	4.0	5.0	5.5
Italy	31.0	30.4	23.4	23.8	24.7	27.0	28.0	29.0
Latvia	4.2	-	-	-	-	-	-	-
Lithuania	3.7	-	-	-	-	-	-	-
Netherlands	2.9	3.1	2.4	2.4	2.7	2.3	2.2	2.0
Norway	5.8	5.9	6.2	6.1	5.8	6.0	5.9	6.0
Poland 6/	-	6.8	-	-	-	-	-	-
Portugal	15.8	16.3	16.7	15.8	17.6	18.0	18.0	-
Rumania 6/	-	40.7	-	-	-	-	-	-
Spain	68.9	70.0	88.0	81.5	79.0	77.0	88.0	66.1
United Kingdom	113.8	110.1	85.6	83.7	87.5	71.8	75.0	80.0
Yugoslavia	30.7	34.7	-	-	-	-	-	
Estimated total (excl. U.S.S.R.) 7/	-	479.5	412.5	382.1	390.8	384.4	408.0	396.4
Soviet Union 8/	-	310.2	277.3	282.0	287.2	285.8	304.6	314.9
ASIA								
Iran	38.0	36.3	27.7	28.7	29.5	30.0	29.8	29.3
Iraq	18.5	21.6	22.0	23.0	24.2	24.2	32.7	26.7
Syria	9/ 11.1	9/ 10.7	9/ 12.0	9/ 13.6	13.3	12.7	12.1	12.0
Turkey	41.4	67.7	67.0	70.0	69.0	60.2	64.1	66.0

ASIA (Continued)								
Afghanistan	15.0	15.0	15.0	15.0	15.0	15.0	15.0	-
China 10/	90.0	88.0	75.0	75.0	75.0	75.0	75.0	-
India	11/ 71.9	11/ 72.9	11/ 76.0	11/ 75.0	54.5	54.5	53.0	-
Pakistan	-	-	-	-	26.0	26.0	26.0	26.0
Estimated total 12/	318.1	344.2	326.8	332.5	339.8	330.8	341.1	336.5
SOUTH AMERICA								
Argentina 13/	361.0	411.0	505.0	505.0	515.0	475.0	419.0	418.0
Brazil 14/	35.0	35.5	40.0	39.0	45.0	48.0	-	48.0
Chile	33.8	32.6	37.5	37.5	38.6	39.2	41.9	46.3
Peru 15/	18.4	19.4	16.9	16.2	17.6	15.9	17.2	18.0
Uruguay 16/	110.6	126.2	156.6	175.2	176.0	158.7	149.9	150.0
Estimated total 17/	574.8	638.9	772.2	790.0	809.7	754.3	695.8	697.6
AFRICA								
Algeria	19.1	22.6	22.7	21.6	19.8	13.8	13.2	14.0
Egypt	5.8	7.5	5.6	5.6	5.6	5.6	-	-
French Morocco	30.7	35.1	39.0	40.0	30.0	25.0	28.0	-
Libya	-	-	-	3.3	3.4	3.4	1.0	1.7
Tunisia	11.9	12.0	13.0	13.2	11.8	11.0	7.9	8.0
Union of South Africa 18/	269.5	252.3	217.7	210.0	209.3	202.9	210.0	210.0
Estimated total 19/	343.1	336.8	305.0	297.5	283.7	265.3	269.5	271.1
OCEANIA								
Australia	1,010.5	1,051.9	1,016.5	936.2	976.8	1,019.0	1,065.0	1,095.0
New Zealand	281.1	313.8	372.0	365.0	360.0	345.6	335.0	330.0
Estimated total	1,291.8	1,365.9	1,388.6	1,301.3	1,336.9	1,364.7	1,400.1	1,425.1
Estimated world total 20/	3,640.0	3,930.0	3,930.0	3,800.0	3,820.0	3,720.0	3,720.0	3,730.0

1/ For summary purposes wool produced mostly in the spring in the Northern Hemisphere is combined with that produced in the season beginning July 1 or October 1 of the same year in the Southern Hemisphere. Pulled wool is included for most countries at its greasy equivalent. 2/ Preliminary. 3/ Includes estimates for Mexico, Newfoundland, Netherlands West Indies, Guatemala and El Salvador. 4/ Includes Southern Dobrudja beginning 1944. 5/ Data for years 1945 and 1946 not comparable with prewar and 1947. 6/ Based on present boundaries. 7/ Includes estimates for Albania and for countries producing 2 million pounds or less, namely Belgium, Czechoslovakia, Denmark, Iceland, Sweden and Switzerland. 8/ Based on the number of sheep and an average fleece weight of 4.7 pounds per head. 9/ Includes Lebanon. 10/ Includes China proper (22 provinces), Manchuria, Jehol and Sinkiang (Turkestan). 11/ Includes Pakistan. 12/ Includes estimates for Cyprus, Palestine, Transjordan and Outer Mongolia. 13/ Based on estimates of the Buenos Aires Branch, First National Bank of Boston through 1947. 14/ Estimates based largely on production in Rio Grande do Sul, which produces about 80 percent of the total. 15/ Based on surveys of the Junta Nacional de la Industria Lanar. 16/ Estimates of the Camara Mercantil de Productos del Pais (Mercantile Exchange of Uruguay). 17/ Includes relatively small production in Bolivia, Colombia, Ecuador, Falkland Islands, Paraguay, and Venezuela. 18/ Union of South Africa, Union Protectorates and South West Africa. 19/ Includes estimates for Kenya, French West Africa and Togo. 20/ Rounded to tens of millions.

Office of Foreign Agricultural Relations. Prepared or estimated on the basis of official statistics of foreign governments, reports of U.S. Foreign Service officers, results of office research and other information. Estimates for countries having changed boundaries have been adjusted to present boundaries except as noted.



WOOL: ESTIMATED WORLD PRODUCTION

AVERAGE 1936-40 AND ANNUAL 1949*

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UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C.

FW 2-49 July 25, 1949

WORLD TRADE IN RAW WOOL IN 1947 AND 1948

World trade in raw wool, estimated at 2.5 billion pounds in 1948, was down slightly from 1947 but well below the level of nearly 3 billion pounds established in 1946, according to information available to the Office of Foreign Agricultural Relations.

Postwar trade has been appreciably above the prewar (1935-39) average of 2.3 billion pounds. 1/ The larger trade in these years, particularly in 1946, was made possible by an unprecedented demand for wool in most consuming countries, together with the large wartime accumulation in Southern Hemisphere supplying countries. With the reopening of European outlets and extension of credits by supplying countries, considerable wool entered world trade in order to meet current mill activity and to build up normal working stocks.

The world trade situation in 1948 was characterized by: (1) Strong demand at high prices resulting in a further depletion of world wool stocks; (2) high rate of consumption and lower production of raw wool in the major consuming countries, coupled with some increase in production of raw wool in the major producing countries; and (3) a shift in trade patterns. These factors have caused a greater percent of the wool produced to enter international trade.

Consumption of wool, particularly of the finer grades, has been 25 percent greater than production during the last 3 years. This has caused the wartime accumulation to be worked down to a low level in 3 years instead of the original estimates of 10 or 12. Competition has increased as a result and prices during 1948 increased steadily throughout the marketing season.

Although the rate of consumption is still high in the major consuming countries, there was some evidence at the end of 1948 that the backlog in demand had been met in the United States and in some European countries. Imports into Italy and Belgium were down 57 percent and 47 percent, respectively, due to some falling off in demand for finished goods. Imports continue to be high for the United Kingdom and France, but re-exports are a contributing factor.

1/ For information on world wool production by countries, see FW 1-49, Foreign Agriculture Circular "World Wool Production in 1948 and Preliminary 1949, June 20, 1949."

Production of raw wool in the major consuming countries in 1948 was about 185 million pounds less than in prewar (1936-40) years, while production in the major producing countries in 1948 was about 24 million pounds greater than prewar. The greatest decrease in production occurred in the United States, while the greatest increase was in Oceania.

RAW WOOL: International trade, average 1935-39, annual 1946-48

Continent	Average 1935-39		1946		1947 1/		1948 1/	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.
No. America	6.6	245.9	18.8	1,312.0	15.9	692.5	4.1	799.9
Europe	216.0	1,800.7	85.1	1,521.3	118.2	1,755.4	90.3	1,604.8
U.S.S.R.	2/	67.6	2/	2/	2/	3/ 29.5	2/	3/ 59.6
Asia	74.8	189.8	62.5	28.9	33.6	21.9	73.2	22.4
So. America	454.0	4.8	604.6	13.1	562.7	9.0	590.6	8.4
Africa	259.1	.0	475.2	12.8	224.6	6.0	226.4	10.0
Oceania	1,095.4	.0	1,534.2	5.1	1,295.0	.0	1,482.7	.0
Total 4/	2,105.9	2,308.8	2,780.4	2,893.2	2,250.0	2,514.3	2,467.3	2,505.1

1/ Preliminary. 2/ Not available. 3/ Exports from primary sources.
4/ Rounded to tens of millions.
Office of Foreign Agricultural Relations.

The most significant change in the world wool trade picture in 1947 and 1948 was the increase of over 300 percent in United States imports above prewar.

The importance of Europe as a market for raw wool is brought out in the above table on international trade. Notwithstanding the great increase in imports to North American countries and increased domestic utilization of raw wool in countries of the Southern Hemisphere, Europe in 1948 received 64 percent of all wool entering world trade. North America received 32 percent in 1948. The prewar average (1935-39) imports were approximately 78 percent to Europe and 11 percent to North America. The exporting continents have maintained their relative position compared to prewar, with the exception of Africa which shows a decrease in total exports.

Australia, Argentina, New Zealand, the Union of South Africa and Uruguay supplied nearly 95 percent of the world trade requirements for raw wool in 1947 and 1948, compared with slightly more than 80 percent in the prewar period. Domestic consumption has increased in these countries, but greater production, plus large wartime accumulations which are rapidly being depleted, enabled exports to remain large.

United States imports were about one-fifth larger in 1948 than in 1947 and more than three times greater than the prewar (1935-39) average. Imports remain large both because of a strong demand and a considerable reduction in domestic production and accumulated stocks.

Although import statistics are not available, the Soviet Union was a large importer in 1947 and 1948. That country purchased considerable quantities of wool in those years in Australia, New Zealand, Uruguay, and Argentina, as well as from offerings in the United Kingdom.

Other countries importing larger quantities of wool include the United Kingdom, France, Belgium, and Italy. These 4 countries and the United States import the bulk of the wool entering world trade, much the same as the 5 Southern Hemisphere countries named above dominate the export of raw wool.

Prepared by Eugene T. Ransom and Anna A. Jones, under the supervision of Floyd E. Davis.

WOOL: International Trade - Average 1935-39, Annual 1946, 1947 and 1948

(Actual weight)

Continent and country	Average 1935-39 Exports	Average 1935-39 Imports	1946 Exports	1946 Imports	1947 1/ Exports	1947 1/ Imports	1948 1/ Exports	1948 1/ Imports
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
NORTH AMERICA								
Canada	6,241	19,337	5,375	53,169	3,131	39,339	3,070	42,399
Mexico	2/	2,041	5	12,092	2/	9,140	3/	3/
United States	325	224,498	13,389	1,246,727	12,720	644,000	1,071	757,523
Total	6,566	245,876	18,769	1,311,988	15,851	692,479	4,141	799,922
EUROPE								
Austria	183	4/5/ 20,900	3/	3/	733	11,969	360	12,175
Belgium	98,316	226,345	16,789	263,683	69,548	260,286	51,039	164,700
Bulgaria	4	1,693	3/	3/	3/	3/	3/	3/
Czechoslovakia	4/5/ 1,050	4/5/ 36,387	0	25,006	0	64,805	0	38,593
Denmark	353	4,149	991	9,235	621	12,812	390	8,986
Eire	14,250	691	8,355	4,413	8,749	5,280	9,421	4,547
Finland	0	5,772	1	3,157	0	7,104	0	8,168
France	59,575	403,345	3,494	482,288	6,682	424,400	2,728	488,670
Germany	0	259,932	0	0	0	6/3/	0	7/ 64,000
Greece	1,706	7,717	0	2,158	0	4,250	0	5,152
Hungary	839	2,126	0	2,476	0	7,765	3/	3/
Iceland	1,512	0	1,700	0	1,240	0	747	0
Italy	1,040	78,958	0	162,463	8/ 1,703	8/ 298,786	8/ 2,664	8/ 128,503
Netherlands	3,908	16,318	4,797	32,419	1,014	56,059	1,287	35,329
Norway	272	2,161	1/ 9	1/ 7,767	9	8,862	1	7,672
Poland	4/ 80	4/ 46,045	0	9/ 42,461	0	40,600	0	48,300
Portugal	2,188	3,377	88	14,610	815	15,935	645	4,486
Rumania	600	1,334	3/	3/	3/	3/	3/	3/
Spain	10/ 2,195	10/ 12,236	2/	7,302	44	5,533	2/	11,583
Sweden	427	16,885	5,894	39,270	1,400	31,977	3/	31,000
Switzerland	271	17,234	1,829	37,639	501	30,392	303	20,702
United Kingdom	26,072	628,893	41,185	384,945	25,105	468,595	20,702	522,263
Yugoslavia	1,143	8,179	3/	3/	3/	3/	3/	3/
Total	215,984	1,800,677	85,132	1,521,292	118,164	1,755,410	90,287	1,604,830
U.S.S.R. 11/	-	67,550	3/	3/	3/	8/ 29,509	3/	8/ 59,621

ASIA								
Cyprus	1,226	0	3/	3/	3/	3/	3/	3/
Iran	12,890	0	5,513	1,095	5,671	1,086	3/	3/
Iraq	13,651	0	16,307	0	6,162	0	15,573	0
Lebanon	12/	12/	12/	12/	12/	12/	8,762	0
Syria	4/ 5,787 4/	386	6,302	0	8,031	0	6,612	0
Turkey	17,639	1,182	1,159	10,400	1,739	11,905	1,059	7,694
Afghanistan	3/	3/	3/	3/	3/	3/	3,485	0
China	23,608	0	1,036	0	3,507	0	3/	3/
India	-	-	32,172	17,450	8,503	5,743	11,200	14,537
Japan	0	188,257	3/	3/	0	3,200	3/	3/
Pakistan	-	-	13/	13/	13/	13/	26,526	192
Total	74,801	189,825	62,489	28,945	33,613	21,934	73,217	22,423
SOUTH AMERICA								
Argentina	305,725	80	452,404	0	376,394	0	418,202	0
Bolivia	0	166	0	2,814	3/	3/	3/	3/
Brazil	10,151	3,783	4,796	3,967	9,169	6,909	15,631	6,236
Chile	23,335	769	16,667	3,897	13,148	2,112	16,512	2,171
Colombia	59	36	73	2,133	3/	3/	3/	3/
Ecuador	132	0	3/	3/	3/	3/	3/	3/
Falkland Islands	4,084	0	3/	3/	3,340	0	3,364	0
Peru	5,130	0	645	263	972	0	545	0
Uruguay	105,478	0	130,013	0	159,633	0	136,345	0
Total	454,035	4,798	504,598	13,074	562,656	9,021	590,599	8,407
AFRICA								
Algeria	12,822	0	741	3,366	3/	3/	138	7,912
Egyptian Sudan	-	-	71	53	3/	3/	3/	3/
Kenya and Uganda	-	-	669	0	909	0	3/	3/
Egypt	4,489	0 1/	797 1/	457	646	1,369	974	1,616
French Morocco	10,036	0	4,931	1,246	2,590	4,475	3/	3/
Southern Rhodesia	-	-	18	0	9	0	3/	3/
Tunisia	4/ 3,241	0	524	0	0	230	0	452
Union of South Africa	228,555	0	467,404	7,731	220,400	0	225,300	0
Total	259,143	0	475,155	12,853	224,554	6,074	226,412	9,980
OCEANIA								
Australia	821,740	0 1/	1,168,964 1/	5,141	940,500	0	1,070,000	0
New Zealand	273,618	0	365,199	0	354,490	0	412,000	0
Total	1,095,358	0	1,534,163	5,141	1,294,990	0	1,482,700	0
World total	2,105,887	2,308,726	2,780,306	2,893,293	2,249,828	2,514,427	2,467,356	2,505,183

1/ Preliminary. 2/ Less than 500 pounds. 3/ Not available. 4/ Four year average 1935- to 1938. 5/ Beginning April 1938, trade between Austria and Germany no longer reported as foreign trade in Germany Statistics. The same applies to trade between Czechoslovakia for the period October to December 1938. 6/ Imports commenced September 1947. 7/ Based on exports from primary sources. 8/ Includes scoured, dyed and waste. 9/ UNRRA supplied 37 million pounds. The rest was supplied by U.S.S.R. 10/ Two year average. 11/ Present territory. 12/ Included in Syria. 13/ Included in India.

Office of Foreign Agricultural Relations. Prepared or estimated from official statistics of foreign governments, reports of U.S. Foreign Service officers and other information.

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FOREIGN AGRICULTURE CIRCULAR

OFFICE OF FOREIGN AGRICULTURAL RELATIONS
UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C.

FW-3-49 October 10, 1949

WORLD STOCKS OF APPAREL WOOL, June 30, 1949

World stocks of apparel wool at the beginning of the 1949-50 selling season are estimated at nearly 2.8 billion pounds by the Office of Foreign Agricultural Relations. This is a decrease of about 900 million pounds from last year and approximately the same as a forecast released by the International Wool Study Group in London late last year.

The proportion of wool stocks held by government organizations (J.O. stocks and C.C.C. stocks) to total world stocks is the lowest since the war. This proportion decreased from approximately 48 percent on July 1, 1947 to 36 percent on July 1, 1948, and down to 25 percent on July 1, 1949. The actual quantity now held is only 698 million pounds out of a world total of 2.8 billion pounds.

Stocks held by dealers in the five major producing countries are about one-fourth larger in 1949 than in 1948; while those held by the trade in the five major consuming countries are about one-fourth smaller than in 1948. Actual quantities privately owned in all countries were 2,323 million pounds at the beginning of the 1948-49 season and 2,069 million pounds at the beginning of the 1949-50 season.

Since the war the rate of world consumption has been such that approximately .8 billion pounds of wool have been needed in addition to the current clip. Slackening of demand and mill activity in a number of countries indicates that the postwar peak in consumption has been reached. Any decrease in consumption will tend to lessen the gap between world production and consumption.

Stocks held by the trade are at dangerously low levels, considering the rate of consumption. Price resistance to finished goods encountered during the past year, together with the constant threat of devaluation, caused most operators to work at the lowest level of raw materials possible.

Total world stocks of apparel wool are still somewhat above prewar, but are not excessive considering the general level of wool consumption. In view of the more stable monetary exchange situation at the present time, efforts may be expected to bring commercial stocks in consuming countries to a more normal working level.

Stocks of wool held by mills and dealers and the United States Government on April 1, 1949 amounted to 223 million pounds and the calculated stocks on July 1, 1949 amounted to 456 million pounds.[1] This is about 60 percent above the 1935-39 July 1 average and is higher in relation to domestic consumption than prewar. In the first half of 1949, consumption was at an annual rate of 12 percent above the 1935-39 average.

Stocks of wool on the continent are reported to be at a low level. In most countries a five-month supply at current activity was in evidence. This is substantially below normal supply.

It is estimated by the Joint Organization that trade stocks available for use on July 1 in British mills represent only about three to four months' consumption at the present rate.

Stocks in Argentina and Uruguay on July 1, 1949 were at a higher level than normal. Trade was slow for the first 6 months of the year. However, with the closing of other major markets and as prices were more in line with world wool prices, much of the supply was moved in the third quarter and stocks on hand at the opening of the new season in October are expected to be normal.

Stocks in the Dominions of Australia, New Zealand and Union of South Africa were about a third less at the end of the selling season in June than they were at the same time last year. Total stocks in these countries were 600 million pounds on July 1, 1949.

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[1] Stocks are now reported only as of April 1. July 1 stocks are estimated by adding the current year clip and imports April - June and subtracting consumption and exports for that quarter.

Prepared in the Livestock and Wool Division by Floyd E. Davis and Eugene T. Ransom.

WOOL STOCKS: World stocks of apparel wool, greasy basis at beginning of 1949-50 season with comparisons 1/

Country	1947-48		1948-49		1949-50 (Preliminary)	
	Govt. owned or sponsored 2/	Total	Govt. owned or sponsored 2/	Total	Govt. owned or sponsored 2/	Total
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Canada	—	3/	—	42	--	44
United States	440	820	177	4/ 862	91	4/ 456
Austria	--	5/	—	6	--	6
Belgium	--	5/	--	57	--	51
Czechoslovakia	--	5/	--	20	--	16
France	--	5/	--	101	--	113
Germany	—	5/	--	60	—	40
Greece	--	5/	—	8	—	8
Italy	—	5	--	118	—	110
Netherlands	--	5/	--	13	--	18
Norway	--	5/	--	8	--	5
Poland	--	5/	--	25	--	22
Spain	—	5/	--	30	—	35
Sweden	—	5/	—	30	--	25
Switzerland	--	5/	--	8	--	8
United Kingdom	330	570	277	680	194	568
Soviet Union	—	5/	--	100	--	105
Japan	--	5/	—	20	--	35
Argentina 6/	--	270	--	150	--	225
Brazil 6/	--	5/	--	6	--	4
Chile 6/	--	5/	---	6	--	7
Uruguay 6/	—	70	--	43	--	66
Union of South Africa	70	100	28	38	1	4
Australia	880	1,150	672	772	343	447
New Zealand	280	390	173	247	69	149
Others and afloat	—	800	—	200	--	200
Total	2,000	4,170	1,327	3,650	698	2,767

1/ Season begins July unless otherwise specified. 2/ Refers to the Joint Organization in the United Kingdom and the Dominions and the Commodity Credit Corporation in the United States. 3/ Included in the total. 4/ For the United States stocks are reported as of April 1. These have been adjusted by adding current year clip and imports April-June and subtracting consumption and exports. 5/ Included with others. 6/ Stocks are as of October 1.

OFAR-Livestock and Wool Division 10/5/49

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FOREIGN AGRICULTURE CIRCULAR

OFFICE OF FOREIGN AGRICULTURAL RELATIONS
UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C.

FW 4-49 October 21, 1949

WOOL AND WOOL TEXTILES

DEVALUATION HAS INCREASED BRITISH EXPORTS TO UNITED STATES

The export price advantage as a result of devaluation presented a special opportunity for the sale of wool textile products to the United States, according to a report from the American Consulate in Bradford, England. Analysis of greatly increased exports of these products to the American market during the week ended October 7 shows the following developments:

Exports of wool were the largest for any week since the week ended August 22, 1947. It is of interest to note that of the total of 231,264 pounds exported in the week, 204,141 pounds were of Australian and New Zealand origin.

Shipments of noils were the largest for any week since the week ended February 4, 1949 and included a big proportion of 64's and 70's qualities, which are alleged to have been in short supply in Bradford for several months.

The total of wastes was the largest since the week ended February 20, 1942.

Exports of rags do not seem to have been stimulated by the currency change and the current week's shipments were the third lowest in eight weeks.

Yarns at 5,379 pounds were equal to the average of the past four weeks.

The total of 151, 563 yards of wool cloth, comprising 138,148 square yards of worsteds and 13,415 square yards of woolens, was the largest for any week since the week ended June 19, 1942.

The 29,491 square feet of carpets exported were in one shipment and made up the largest total since the week ended April 8, 1949.

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Declared exports of wool and wool products from Bradford to the United States during the past four weeks - September 16, 1949 - October 7, 1949.

Commodity	UNIT	Week ended Sept. 16 1949	Sept. 23 1949	Sept. 30 1949	Oct. 7 1949
Wool and hair	pounds	8,935	26,461	101,639	231,264
Noils	"	67,233	69,657	109,703	196,179
Wastes	"	34,164	74,707	25,574	94,546
Rags	"	70,583	76,300	202,245	74,316
Yarns	"	5,937	5,477	4,720	5,379
Cloth	sq. yds	53,838	53,155	76,535	151,563
Blankets and traveling rugs	pounds	245	4,529	2,548	181
Carpets and floor rugs	sq. ft.	752	900	24,637	29,491

Source: Consulate's declared exports.

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FOREIGN AGRICULTURE CIRCULAR

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UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C.

FW 5-49 November 17, 1949

INTERNATIONAL WOOL STUDY GROUP

Following is the final press release of the Third Meeting of the International Wool Study Group held in London early in November.

> From November 7th to November 9th representatives from the Argentine, Australia, Belgium, Canada, Czechoslovakia, Denmark, Dominican Republic, Egypt, Finland, France, India, Italy, Netherlands, New Zealand, Pakistan, Persia, Poland, Switzerland, Turkey, The United Kingdom, Union of South Africa, U.S.A., Uruguay and Yugoslavia, together with observers from the Food and Agriculture Organization, United Kingdom Dominion Wool Disposals Limited, International Wool Textile Organization and Commonwealth Economic Committee have participated in the Third Meeting of the Wool Study Group.
>
> The Study Group have reviewed the changes which have taken place in the world wool situation since their Second Meeting in October 1948. They have heard statements from the different delegations as to the position in their respective countries with special reference to any problems arising therein, and to any matters of international interest.
>
> The Group noted that the postwar trend of world wool production continued to show an increase. It expected that in 1949-50 production of all wool would total 3,844 million pounds (greasy basis) compared with 3,758 million pounds in 1948-49, 3,721 million pounds in 1947-48 and 3,788 million pounds per annum in the period 1934-39. Of total wool production, apparel wool amounted to 2,957 million pounds in 1948-49, and is expected to reach 3,015 million pounds in 1949-50.
>
> In the five principal exporting countries the production of merino wool has been steadily rising since the war and is expected to reach the prewar level in the current season. The output of crossbred and other types of wool has been appreciably higher than in the immediate prewar period.

In the principal wool importing countries the aggregate production of merino wool has declined sharply compared with prewar owing to the reduced output in the United States. Production in these countries of crossbred is increasing but has achieved only 83 percent of the 1934-39 average. Production of types other than merino and crossbred is also increasing, and has passed the prewar level.

It was noted that the aggregate of production of principal exporters and importers in the current season would exceed the prewar level by a little over 3 percent; but in the current season merino production in those countries is estimated at 8 percent below prewar while crossbred production is forecast at 10 percent above prewar. The output of carpet type wool has also increased substantially.

In examining world consumption of apparel wool it was noted that this at 3,547 million pounds was 8 percent less in 1948-49 than in the preceding season. This was attributed almost entirely to the sharp decline in activity in the wool textile industry of the United States from which there was little recovery until August 1949. On the assumption that the present level of activity would be maintained throughout the season, and taking into account an increased use of noils, shoddy, etc. in substitution for virgin wool, the Group expected that consumption would be very slightly below that of 1948-49.

It was estimated that at 30 June 1949 Government stocks amounted to 640 million pounds and commercial stocks to 2,321 million pounds. Commercial stocks amounted to nearly eight months' consumption. The Group tentatively estimated that at 30 June 1950 Government stocks would be reduced to 317 million pounds, or barely one month's world consumption, while commercial stocks would fall to 2,131 million pounds, i.e., seven to eight months' consumption.

The Group noted the trend in the prices of wool over the past twelve months and recognized that prices were generally at a high level. It was recognized, however, that no serious difficulty had been experienced in obtaining adequate supplies. Difficulty in disposing of the products of the wool textile industry appeared to be confined in the main to the industries of those countries whose currencies were hard in comparison with those of their overseas customers.

The Group commended the work of Technical Committee in developing a minimum standard for the collection and reporting of world wool statistics. In order to further this work the Group re-established the Technical Committee which will include representatives designated by interested member governments and international organizations concerned with world wool statistics. The Technical Committee will report to the Group at its Fourth Meeting.

Having noted all these facts the Group concluded that no immediate problems existed in connection with the production, consumption or trade in wool which called for intergovernmental action.

Finally the Group agreed to continue to meet from time to time in its present form in order to review the world wool position, and appointed a small committee to deal with minor questions arising between meetings of the full Group.

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FOREIGN AGRICULTURE CIRCULAR

OFFICE OF FOREIGN AGRICULTURAL RELATIONS
UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C.

FW 6-49 November 28, 1949

WORLD WOOL PRODUCTION IN 1949

World wool production in 1949 1/ is estimated at 3,780 million pounds, an increase of 10 million pounds over the 1948 output, according to the regular fall summary of the Office of Foreign Agricultural Relations 2/. The estimate is approximately 4 percent below the 1936-40 average of 3.9 billion pounds. This total production includes both apparel and carpet wool and is on a grease basis.

Generally favorable weather and forage conditions have prevailed during the past year in nearly all producing areas, except Argentina and the Union of South Africa. This, together with a strong world demand and strengthening of prices, has caused production of wool to be maintained or increased in most wool producing countries. The notable exception is the United States where decreases due largely to the competition of other farm enterprises are continuing.

Producers of wool in all major producing countries, except the United States, have made an effort to maintain production somewhere near the levels attained during the war. Consumption has been in excess of production since the war resulting in high prices on the world market. This fact has caused governments and producer groups to take an unusual interest in wool - an important commodity in international trade. Production reached an all time high of 4.2 billion pounds in 1941, then gradually decreased to 3.8 billion pounds in 1945. Production increased in 1946, but fell rather sharply in 1947 as a result of unfavorable weather and forage

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1/ Based upon estimates of the spring clip in the Northern Hemisphere combined with that produced in the season beginning July 1 or October 1 of the same year in the Southern Hemisphere. Pulled wool is included for most countries at its greasy equivalent. 2/ Late each Spring an estimate is made of the Northern Hemisphere clip, plus a forecast for the Southern Hemisphere. Data, especially for the Southern Hemisphere, are reviewed at this time each Fall.

conditions in most of the Southern Hemisphere countries. Under the impetus of high prices maintained by a demand and supply position favorable to producers of raw wool, and with favorable weather conditions in most areas, output has increased in 1948 and 1949.

The output of merino wool has increased proportionately more than the increase in the world clip, even though it is still below its prewar level. The output of crossbred wool, on the other hand, has tended to decline except in the current season, though it has for some years been higher than the prewar average. Prices of merino relative to crossbred have favored a greater output.

The production of carpet wool has shown a small but consistent increase for the past 3 seasons but its relation to the total and to apparel wool production has not changed appreciably.

Production of wool in Canada and the United States in 1949 continued the downward trend of the past several years. This decline from 1942 of about 200 million pounds reflects a sharp curtailment in sheep numbers, chiefly as a result of lagging returns for wool as compared with cattle raising and cash grains. Furthermore, returns for fat lambs for slaughter have been more favorable than returns from wool, thereby increasing slaughter and discouraging flock replacements.

Production on the continent of Europe is gradually increasing and in 1949 was approximately 87 percent of prewar. The increase is due to the gradual rehabilitation of flocks.

Argentine production of wool is down below the prewar average. Sheep numbers in the southern provinces have not fully recovered from the severe drought of 1947 while high costs and shortage of labor contributed to the decline in Buenos Aires Province. There is a trend toward smaller production of merino and coarse carpet wool and a corresponding percentage increase in fine crossbreds. This trend is expected to continue.

Sheep numbers in Australia were 102,559,000 head on March 31, 1948, and were at 109,000,000 head at the same time this year. Pastoral conditions are reported to have been excellent this year resulting in a large clip of good quality.

The 5 principal wool producing countries, Australia, New Zealand, Union of South Africa, Argentina, and Uruguay continue to produce a greater percentage of world supply and for 1949 their share of the world production is substantially above the level of 1936-40.

WOOL: World wool production,
averages 1936-40, 1941-45,
annual 1946-49.

Continent	Average 1936-40	Average 1941-45	1946	1947	1948	1949
	Mil. lbs	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.	Mil. lbs.
North America	451	458	369	335	304	281
Europe	483	446	395	389	415	420
U.S.S.R.	310	280	287	286	305	315
Asia	344	337	339	342	357	353
South America	639	758	810	755	691	686
Africa	337	322	283	268	279	275
Oceania	1,366	1,439	1,337	1,365	1,419	1,450
Total 1/	3,930	4,040	3,820	3,740	3,770	3,780

1/ Rounded to tens of millions.

Office of Foreign Agricultural Relations, November 28, 1949.

The following circulars on world sheep numbers, wool production, wool trade, and wool stocks have been released by the Office of Foreign Agricultural Relations in 1949:

FLM 3-49	World Sheep Numbers in 1948 and 1949 - April 25, 1949.
FW 1-49	World Wool Production In 1949 (Preliminary).
FW 2-49	World Trade In Raw Wool In 1947 and 1948.
FW 3-49	World Stocks of Apparel Wool, June 30, 1949.
FW 4-49	Wool and Wool Textiles
FW 5-49	International Wool Study Group.
FW 6-49	World Wool Production In 1949.

This is one of a series of regularly scheduled articles on world agricultural production approved by the Office of Foreign Agricultural Relations Committee on Foreign Crop and Livestock Statistics. For this report the Committee was composed of C.M. Purves, Acting Chairman, Floyd E. Davis, Eugene T. Ransom, Stanley Mehr, Constance H. Farnworth, C.S. Stephanides, and Tilmer O. Engebretson.

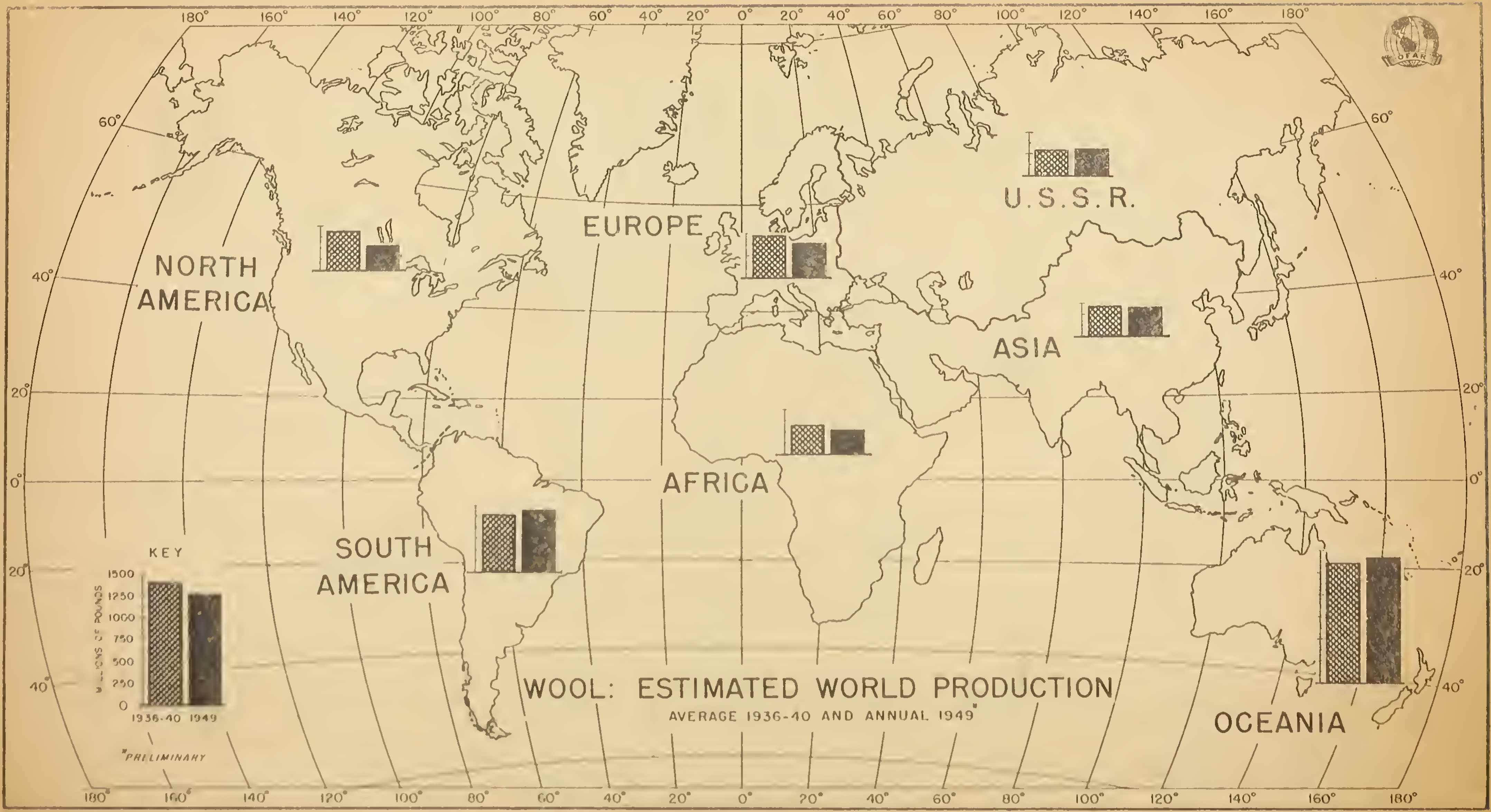
WOOL: Production in specified countries, greasy basis, averages 1936-40 and 1941-45; annual 1946 to 1949 1/

Continent and country	Averages		1946	1947	1948 2/	1949 2/
	1936-40	1941-45				
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
NORTH AMERICA						
Canada	15.6	17.7	16.7	14.1	11.9	10.2
United States						
Shorn	360.6	360.2	280.5	252.8	233.9	215.6
Pulled	64.7	68.3	61.3	56.0	46.6	43.0
Total	425.3	428.5	341.8	309.4	280.5	258.6
Estimated total 3/	451.7	457.3	369.7	334.7	304.4	280.8
EUROPE						
Austria	2.1	2.7	2.5	2.6	3.1	3.0
Bulgaria	28.7	26.4 4/	21.9 4/	25.7 4/	28.6 4/	30.0
Eire	17.2	15.9	14.5	13.3	12.2	15.0
Finland	2.7	1.9	2.6	2.4	2.4	2.4
France 5/	37.1	27.3	26.5	28.6	29.3	32.6
Germany 6/	31.7 7/	35.5	25.7	25.4	26.8	29.0
Greece	19.3	12.8	14.5	16.9	17.3	16.0
Hungary	12.9	8.9	3.3	4.0	5.0	5.5
Italy	30.4	27.5	24.7	27.0	30.0	33.0
Netherlands	6.2	4.9	5.4	4.6	4.6	6.2
Norway	5.9	5.9	5.8	5.8	5.7	5.7
Poland and Danzig 6/	6.8	-	-	-	-	-
Portugal	16.3	17.2	17.6	18.0	18.0	-
Rumania 6/	40.7	-	-	-	-	-
Spain	70.0	83.0	79.0	77.0	88.0	72.6
United Kingdom	110.1	88.6	87.5	71.8	75.0	80.0
Yugoslavia	34.7	-	-	-	-	-
Total Europe (excl. U.S.S.R.) 8/	483.4	446.0	394.9	388.5	415.1	420.4
U.S.S.R. (Europe and Asia) 6/9/	310.2 7/	279.7	287.2	285.8	304.6	314.9

ASIA						
Iran	36.3	29.6	29.5	30.0	29.8	27.8
Iraq	21.6	21.1	24.2	24.2	32.7	26.7
Syria	10/ 10.7	10/ 11.0	13.3	12.7	12.1	9.5
Turkey	67.7	67.9	68.8	71.2	75.5	70.0
Afghanistan	15.0	15.0	15.0	15.0	17.0	17.2
China 11/	88.0	81.0	75.0	75.0	75.0	75.0
India	12/ 72.9	12/ 79.0	54.5	54.5	53.0	54.5
Pakistan	-	-	26.0	26.0	28.0	30.0
Total Asia (Excl. U.S.S.R.) 13/	344.2	336.7	339.6	341.8	356.5	353.7
SOUTH AMERICA						
Argentina 14/	411.0	505.8	515.0	475.0	419.0	400.0
Brazil 15/	35.5	37.6	45.0	48.0	45.2	47.4
Chile	32.6	36.4	38.6	39.2	44.1	47.0
Falkland	4.0	4.2	4.0	4.0	4.5	5.0
Peru	19.4	17.6	17.6	15.9	17.2	18.7
Uruguay	126.2	144.1	176.0	158.7	147.7	154.3
Total South America 16/	638.9	757.4	809.7	754.3	691.2	685.9
AFRICA						
Algeria	22.6	22.6	19.8	13.8	13.2	14.0
Egypt	7.5	5.9	5.6	5.6	6.0	5.5
French Morocco	35.1	39.4	30.0	25.0	28.0	-
Libya	-	3.2	3.4	3.4	1.0	1.7
Tunisia	12.0	12.9	11.8	11.0	7.9	8.0
Union of South Africa 17/	252.3	234.4	209.3	205.2	219.0	214.0
Total Africa 18/	336.8	322.3	283.7	267.8	278.9	275.0
OCEANIA						
Australia	1,051.9	1,088.0	976.8	1,019.0	1,065.0	1,095.0
New Zealand	313.8	350.4	360.0	345.6	354.0	355.0
Total Oceania	1,365.9	1,438.5	1,336.9	1,364.7	1,419.1	1,450.1
World total 19/	3,930.0	4,040.0	3,820.0	3,740.0	3,770.0	3,780.0

1/ For summary purposes wool produced mostly in the spring in the Northern Hemisphere is combined with that produced in the season beginning July 1 or October 1 ofthe same year in the Southern Hemisphere. Pulled wool is included for most countries at its greasy equivalent. 2/ Preliminary. 3/ Includes estimates for Mexico, Newfoundland, Netherlands West Indies, Guatemala and El Salvador. 4/ Includes Southern Dobrudja beginning 1944. 5/ Data for years 1945 and 1946 not comparable with prewar and 1947. 6/ Based on present boundaries. 7/ Two year average (1944 and 1945). 8/ Includes estimates for Albania and for countries producing 2 million pounds or less, namely Belgium, Czechoslovakia, Denmark, Iceland, Sweden and Switzerland. 9/ Based on the number of sheep and an average fleece weight of 4.7 pounds per head. 10/ Includes Lebanon. 11/ Includes China proper (22 provinces), Manchuria, Jehol and Sinkiang (Turkestan). 12/ Includes Pakistan. 13/ Includes estimates for Cyprus, Palestine and Transjordan, Outer Mongolia, Tibet and Nepal. 14/ Based on estimates of the Buenos Aires Branch, First National Bank of Boston through 1947. 15/ Estimates based largely on production in Rio Grande do Sul, which produces about 80 percent of the total. 16/ Includes relatively small production in Bolivian, Colombia, Ecuador, Paraguay and Venezuela. 17/ Union of South Africa, Union Protectorates and South West Africa. 18/ Includes estimates for Kenya, French West Africa and Togo. 19/ Rounded to tens of millions.

Office of Foreign Agricultural Relations. Prepared or estimated on the basis of official statistics of foreign governments, reports of U.S. Foreign Service officers, results of office research and other information. Estimates for countries having changed boundaries have been adjusted to present boundaries except as noted. November 28, 1949.

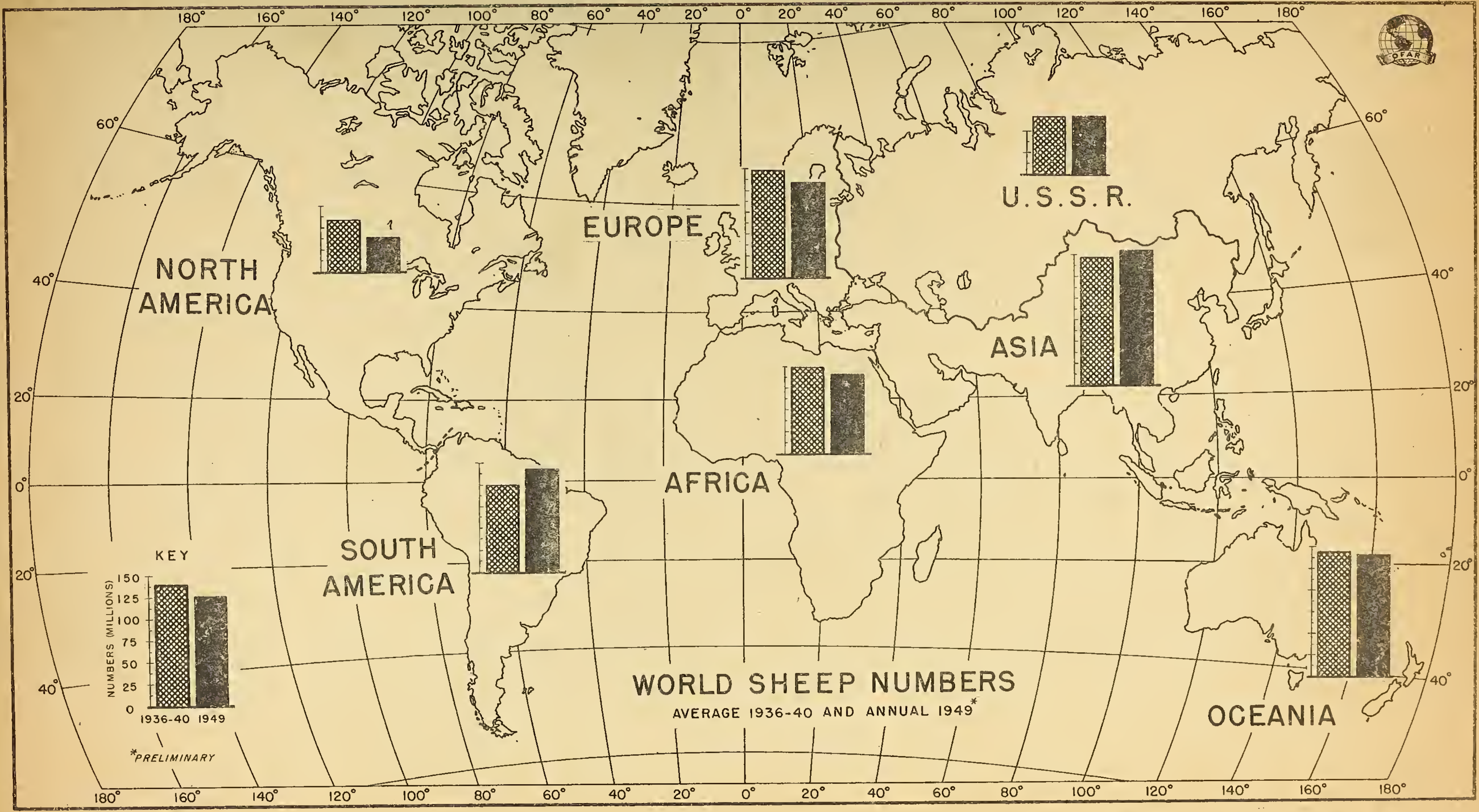

WOOL: ESTIMATED WORLD PRODUCTION

AVERAGE 1936-40 AND ANNUAL 1949*

U. S. DEPARTMENT OF AGRICULTURE

NEG. 1170

OFFICE OF FOREIGN AGRICULTURAL RELATIONS



WORLD SHEEP NUMBERS

AVERAGE 1936-40 AND ANNUAL 1949*

U. S. DEPARTMENT OF AGRICULTURE

NEG. 1121

OFFICE OF FOREIGN AGRICULTURAL RELATIONS

FOREIGN AGRICULTURE CIRCULAR

OFFICE OF FOREIGN AGRICULTURAL RELATIONS
UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D.C.

FW 7-49

December 16, 1949

BRAZILIAN WOOL SITUATION [1]

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SUMMARY

Production of wool in Brazil is estimated at 47.4 million pounds in 1949, compared with 45.2 million pounds in 1948 and 48.0 million pounds in 1947. Output has risen steadily since 1940 and is now about one-third above production for that year. The State of Rio Grande do Sul produces about 80 percent of the total and practically all of the wool entering commercial channels. The increase in wool production is due to a steadily increasing sheep population. Ten percent of Brazil's production of raw wool is classed as merino (64-70's), 55 percent as top Prima and Prima (58-60-64's) while 35 percent is of the coarser types.

Consumption of raw wool by Brazilian industry reached a yearly average of approximately 36.4 million pounds during the war years and has remained at about the same level during the past several years.

Prices of wool in Brazil follwed closely the prices established on the world market during the past season.

Brazil noramlly exports more wool than it imports. However, the 1948 exports of 15.6 million pounds were unusually high due to the unwillingness of domestic millers to pay the high prices quoted early in the season. The United States is the largest buyer of Brazilian wool, while Argentina and the Union of South Africa are the chief sources of Brazilian imports.

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[1] Prepared in conference with Henry L. Pitts, Jr., from reports submitted by him while serving as Vice Consul, American Consulate General, Porto Alegre, Brazil.
LIVESTOCK AND WOOL DIVISION, OFAR.

Recently established marketing cooperatives handle a substantial part of the wool entering commercial channels. However, their operations so far are confined largely to selling to the domestic trade.

The 48 firms comprising the major part of the woolen textile industry in the State of Sao Paulo produced 7.8 million square yards of woolen textiles in 1948, a slight increase over the 1947 output. Yarn production in 1948 is estimated to be slightly above the 1947 figure.

WOOL PRODUCING INDUSTRY

Raw Wool Production

The 1948 Brazilian wool production is now unofficially estimated to have been about 45.2 million pounds gross weight, compared to the unofficial estimate of 48.0 million pounds for 1947. Estimates of Brazil's wool production, however, should explain the difference between estimates of the "amount of wool which is expected to enter commercial channels" and the amount which could be termed "total wool production for the entire country." The figure, 45.2 million pounds, given as the estimated Brazilian wool production for 1948, includes 33.1 million pounds as that part of the wool production of the State of Rio Grande do Sul which was expected to enter commercial channels, 4.4 million pounds produced in Rio Grande do Sul which was not expected to reach commercial channels, and 7.7 million pounds as an estimate of the wool production in the remainder of the country. Only a very small part of the wool in the latter category is expected to enter commercial channels.

The 33.1 million pounds now estimated to have been produced in Rio Grande do Sul in 1948 and to enter commercial channels indicate a drop from 35.3 million pounds produced for commercial use in this State during 1947. Brazilian trade sources explain that they believe the difference of 2.2 million pounds between the 1947 and 1948 production figures was partially due to the heavy rains that fell during the month preceding the 1948 clip which cleaned the wool on the sheep to a large extent and, therefore, brought down its gross weight. The clip started in October 1948 and was reported to have been completed by the end of December 1948.

Local trade sources believe that the average yield per animal in the State of Rio Grande do Sul has remained unchanged since last year's clip when it was estimated at 5.5 pounds per sheep. The average yield in the remainder of the country is unofficially estimated at 1.8 and 2.2 pounds for mature sheep.

The second major center of sheep population in Brazil is in the Northeastern part of the country where most of the wool produced is used in the hand weaving of clothing, rugs, and blankets. The central part of Brazil accounts for only a very small number of the sheep in the entire country.

The table below gives unofficial wool production estimates for Brazil for the years since 1940, with a column for Rio Grande do Sul wool which entered commercial channels and a column for the entire estimated wool production of the country:

Table 1.

WOOL: Estimated Production Entering Commercial Channels
In State of Rio Grande do Sul and Total Production In Brazil, Annual 1940 - 1948

Year	Rio Grande do Sul Million pounds	Brazil Million Pounds
1940	23.7	34.0
1941	24.0	34.3
1942	27.4	36.1
1943	30.5	38.6
1944	33.3	40.2
1945	32.1	39.8
1946	36.7	44.8
1947	35.3	48.0
1948	33.1	45.2

Source: Consulate estimates based on trade sources and information from Rio Grande do Sul Department of Statistics.

Sheep Numbers

There are as yet no further statistics for all of Brazil on the total sheep population except for those released for the year 1940, when the total population was estimated at 9,285,118 head, of which 6,135,560 head were said to be in Rio Grande do Sul. In Rio Grande do Sul, official estimates of the sheep population as of December 31, 1948 as yet have not been released; however local wool dealers estimated the population at somewhere around 9,900,000 head. The following table shows the number of sheep in Rio Grande do Sul in recent years as estimated by the State Department of Statistics:

Table 2.

SHEEP: Numbers In State of Rio Grande do Sul
December 31, Annual 1940 to 1946

Year	Number
1940	6,135,560
1941	6,253,550
1942	6,603,300
1943	6,990,570
1944	7,702,580
1945	9,111,400
1946	10,068,340

Source: Rio Grande do Sul Department of Statistics.

Grades of Wool

The following table, based on information from trade sources, gives an estimate of the percentage of grades obtained during the 1948 clip in Rio Grande do Sul:

Table 3.

WOOL: Analysis of Clip In State of Rio Grande do Sul, by Grade

Percentage	Grades	
10%	Merina	(64 - 70's)
10%	Top Prima	(64's)
45%	Prima	(58 - 60's)
20%	Cruza	(56 - 58's)
10%	Coarse Cruza	(48 - 50's)
5%	Coarser types	(44 - 48's)

About 60 percent of Rio Grande do Sul's production is "supers" and the other 40 percent "Corrente" (good average top making).

Consumption

There are no official estimates on the total consumption of raw wool in Brazil. During the war years consumption was estimated at a yearly average of approximately 36 million pounds and although there has been a steady upward trend in exports it is believed that some stocks of wool were built up during the war years and that utilization of these stocks, both for export and by woolen mills (together with small imports), has kept consumption at about the same level.

Exports

Brazilian raw wool exports in 1948 were at a high level and totaled 15.6 million pounds compared with only 9.3 million pounds during 1947 and 4.8 million pounds in 1946. Of the total 1948 raw wool exports, 13.2 million pounds went to the United States, 0.8 million pounds to Uruguay, 0.5 million pounds to Switzerland and the remainder to Belgium, Poland, Mexico, the United Kingdom, and Germany. The following table details these exports by country of destination for the years 1946, 1947, and 1948.

Table 4.

WOOL: Exports by Country of Destination, Annual
1946 - 1948

Destination	1,000 Pounds 1946	1,000 Pounds 1947	1,000 Pounds 1948
United States	1,887	1,574	13,159
United Kingdom	-	-	187
Sweden	73	238	-
Uruguay	1,265	313	836
Belgium	22	392	430
Netherlands	143	70	-
Spain	33	-	-
Finland	1,373	661	-
Czechoslovakia	-	6,025	-
Italy	-	40	-
Portugal	-	11	-
Mexico	-	-	220
Poland	-	-	249
Germany	-	-	22
Switzerland	-	-	527
TOTAL	4,797	9,325	15,630

Source: Economic and Financial Statistical Service, Ministry of Finance.

Imports

Wool imports during 1948 were reduced to 2.5 million pounds compared with imports of 4.0 million pounds during 1947 and 3.9 million pounds during 1946. Of these imports, almost 1.3 million pounds originated from the Union of South Africa, over 0.9 million pounds from Argentina and the remainder from Australia, the United Kingdom, the United States, Peru, and British Southwest Africa, as detailed below:

Table 5.

WOOL: Quantity and value of imports by country of origin - 1948

Country of Origin	1,000 Pounds	1,000 Dollars 1/
Argentina	887	272
United States	21	7
United Kingdom	27	38
Peru	12	10
Australia	172	169
Union of South Africa	1,348	947
British Southwest Africa	11	2
TOTAL	2,478	1,445

1/ All conversions to U. S. dollar based on approximate value of $.05 per cruzeiro.

The following table gives annual wool imports since 1939:

Table 6.

RAW WOOL: Quantity and value of imports, annual 1939 - 1948

Year	1,000 Pounds	1,000 Dollars
1939	2,958	530
1940	895	276
1941	2,088	611
1942	8,230	2,374
1943	12,169	3,245
1944	5,600	1,646
1945	4,810	1,700
1946	3,968	1,492
1947	4,032	1,944
1948	2,478	1,446

Source: Economic and Financial Statistical Service, Ministry of Finance.

Marketing Conditions

The outstanding characteristic of the marketing of the 1948 wool crop was the unusual increase which prices experienced from the early part of December, 1948. Due to the policy followed by domestic mills during the 1947 crop, when they limited their purchases to the minimum, their stocks were practically exhausted on the opening of the 1948 clip. It was therefore expected that domestic millers would make large purchases. However, contrary to all predictions, they showed considerable reluctance to do so as they considered the quotations to be too high. The market situation was, therefore, not too clear until late in December 1948, when demand in the international market began to increase. The local quotations at that time were low enough for a ready demand to develop from abroad for Rio Grande do Sul wool. The local price soon reached the prevailing international level. In view of the reluctant attitude assumed by domestic mills, local exporters did not hesitate to sell as much of their wool abroad as possible, and in a very short time nearly 50 percent of the 1948 production was disposed of abroad, principally through sales to the United States.

The domestic mills then realized that there was a potential shortage of wool and the strong rush of Brazilian wool buyers took place. While export prices were already on extremely high levels, prices to domestic mills were even higher. Rio Grande do Sul mills took only about 4 million pounds, but Sao Paulo and Rio de Janeiro textile mills purchased most of the remainder of the crop. The low stocks at present in the hands of domestic mills will undoubtedly cause substantial changes in the Brazilian raw wool import situation which is now expected to reach a higher level.

The average prices paid to producers per 15 kilo-arroba (approximately 33 pounds) of wool in the grease was $9.88 in 1946, $8.69 in 1947, $10.62 in 1948 and $15.50 in February 1949. However, during the months of April and May, when the current clip was practically all disposed of, the average CIF Sao Paulo price reached $23.30 per 33 pounds.

Cooperatives

At the present time a fairly large part of the wool production of Rio Grande do Sul is handled by the five cooperatives in that State. These cooperatives are located in Uruguayana, Pelotas, Livremento, Bage and Alegrete. The cooperative in Uruguayana is estimated to have purchased approximately 2 million pounds of last year's production, with the others purchasing lesser amounts and the one in Alegrete only handling some 0.66 million pounds. It is not possible to give definite figures on the amount of woll handled by each cooperative, but it is believed that the five cooperatives purchase at least 5.5 million pounds in an average year.

The proportion of the entire wool production entering commercial channels which is purchased by the cooperatives varies from year to year. The cooperative in Alegrete, for example, baled and sold some 0.66 million pounds of wool during 1948. This was the third year this cooperative was in operation. In its first year it handled 1.32 million pounds. Naturally, these cooperatives compete with wool dealers who claim that the administration of the cooperatives is usually neither efficient nor competent. The cooperatives, however, have the advantage of being able to promise better prices than the dealers. The dealers send agents to look over the available wool and purchase the entire lot consisting of different grades of wool from the producer on an average price per arroba (33 pounds). These prices, of course, depend on the amount of fine wool in the lot, which an experienced dealer can estimate.

Dealers pay the producers promptly when the transaction is made. When the cooperatives purchase wool, their procedure is somewhat more complicated. The producer delivers his wool to the cooperative where technicians trained by the State Department of Agriculture separate the wool according to various types and grades. After this has been done, the cooperative advances the producer 80 percent of the value of the wool based on the price at which the cooperative expects to sell the wool. The remaining 20 percent is not given to the producer until the sale is completed, which might mean a delay of several months. If the sale is lower than the previously estimated price, the producer may not get this 20 percent; on the other hand, if the cooperative obtains a higher price than anticipated, the producer gets the benefit of this price.

The cooperatives sell both to buyers in Brazil and to buyers abroad. Most of the exports are handled for the cooperatives by experienced firms in this line as the cooperatives do not yet have much experience in the export field. For example, the cooperative in Alegrete has advised the Consulate that of the 0.66 million pounds sold last year, only 0.06 million pounds were exported and these exports were handled by a firm in Montevideo. All of the cooperatives are located in the southern part of the State of Rio Grande do Sul and their exports are often moved through the ports of Rio Grande, Rio Grande do Sul and Montevideo, Uruguay.

Outlook for Wool Production

The quality of Rio Grande do Sul wool is considered fairly good. In the southern part of the State near the Uruguayan border, the wool produced is quite similar to that produced in Uruguay. In general, however, the wool in Rio Grande do Sul is not as uniform as that in Uruguay or Argentina where there are larger flocks. The annual production is, of course, much smaller than either of those countries.

The Rio Grande do Sul Department of Agriculture and local producers have made strenuous efforts in recent years to increase the average yield per sheep and improve the quality of the wool. Their efforts have been fairly successful and buyers in the United States are reported to have been satisfied with the quality of last year's shipments. The total production that enters commercial channels, however, is not increasing rapidly.

Brazilian wool producers are in a very favorable position at the present time in view of the large local and world-wide demand for wool and the high prices paid in recent months. A strong domestic demand is expected for the next clip, with Brazilian mills anxious to obtain as much as possible of the finer wools especially. New plants have been constructed in Brazil recently to manufacture woolen yarn and textiles, and it is believed that very few stocks of raw wool remain to be drawn upon. All this means that the new clip will probably not be exported to the extent of the last clip. Trade sources expect considerably less than one-third of the present clip to be exported.

The long-time outlook for wool production in Brazil is favorable and a gradual increase is expected. The clip now in progress in Rio Grande do Sul is estimated to be 5 to 10 percent higher than that of last year.

WOOL TEXTILE INDUSTRY

Output

Although no accurate statistics are available, the Sao Paulo Syndicate for the Spinning and Weaving Industry estimates that production of wool textiles in the State during 1948 amounted to about 8.5 million square meters (7.8 million square yards) and in any event believes that output surpassed the 1947 production of an estimated 8 million square meters (7.3 million square yards). Similarly, output of yarn is thought to have been greater in 1948 than the production for 1947.

According to figures obtained from the Syndicate for the Spinning and Weaving Industry, the 48 firms comprising the major part of the wool textile industry in the State of Sao Paulo produced the following amount of yarns in 1947:

Description	Combed Pounds
Up to 1/28	2,046,744
From 1/28 to 1/40	935,626
From 1/40 to 1/48	314,446
Over 1/48	94,562
TOTAL Combed	3,391,378

Description	Carded Pounds
Up to 6,000 ms. 1/	1,965,244
From 6,000 to 12,000 ms.	2,036,691
From 12,000 to 16,000 ms.	614,466
Over 16,000 ms.	154,426
TOTAL Carded	4,770,827

1/ Ms. indicates number of linear meter per kilo.

A large part of the wool produced in Rio Grande do Sul is normally consumed in Sao Paulo which occupies first place in the wool textile industry in Brazil, producing 80 percent of the country's total annual volume.

Because that portion of domestic wool which is not exported is insufficient to meet domestic needs and as the quality is not good enough for fine textiles, it is necessary to mix domestic and high grade imported yarns and wool, using native wool for carded yarn and imported wool for combed yarn. In the past local manufacturers have imported wool from overseas in amount varying from 10 to about 30 percent.

Imports of Wool Textiles

During 1948 imports of wool textiles were nearly two and one-half times those in 1947, totaling 1,510,290 pounds, compared with only 631,433 pounds in 1947. Great Britain supplied 1,044,980 pounds of this total, the remainder originating from several other countries among which the United States, Italy and France were the most important. The following table shows imports of woolen textiles by country of origin for the years 1937, 1938, 1947 and 1948.

Table 7.

WOOL TEXTILES: Imports by Country of Origin—Annual 1937, 1938, 1947 and 1948 - In Pounds

Country of Origin	1937	1938	1947	1948
Germany	67,897	78,021	—	—
Argentina	2,341	115	14,041	—
Austria	55	—	—	—
United States	2,376	4,092	171,846	136,826
France	20,240	41,757	97,247	111,101
Great Britain	158,678	119,763	254,007	1044,980
Netherlands	860	—	1,759	7,368
Italy	21,973	20,183	48,378	116,224
Japan	1,036	146	—	—
Poland	97	—	—	—
Syria	529	—	--	--
Switzerland	57	—	2,864	39,191
Czechoslovakia	5,139	5,611	—	45,558
Belgium-Luxembourg	611	2,019	7,789	8,278
Portugal	—	--	28,100	763
Ireland	—	—	4,678	—
Israel	—	—	227	—
TOTAL	281,891	271,706	631,433	1,510,290

Source: Economic and Financial Statistical Service, Ministry of Finance.

Table 8.

WOOL TEXTILES: Value of Imports by Country of Origin—Annual 1937, 1938, 1947 and 1948 - In Dollars

Country of Origin	1937	1938	1947	1948
Germany	$ 114,725	$ 178,216	$ —	$ —
Argentina	1,469	620	98,793	—
Austria	239	—	—	—
United States	3,899	7,617	873,494	464,052
France	41,260	60,162	564,054	711,538
Great Britain	353,271	325,871	1,328,959	4003,015
Netherlands	1,538	—	13,359	26,330
Italy	32,129	36,398	244,593	586,896
Japan	1,083	128	—	--
Poland	129	—	--	—
Syria	451	—	—	—
Switzerland	152	--	17,985	200,807
Czechoslovakia	9,715	11,903	—	195,116
Belgium-Luxembourg	1,052	4,217	49,384	37,483
Portugal	--	—	174,724	5,200
Ireland	--	—	6,270	—
Israel	—	—	1,254	—
TOTAL	$ 561,261	$ 625,134	$ 3,372,874	$ 6,230,438

Source: Economic and Financial Statistical Service, Ministry of Finance

Outlook for Wool Textile Industry

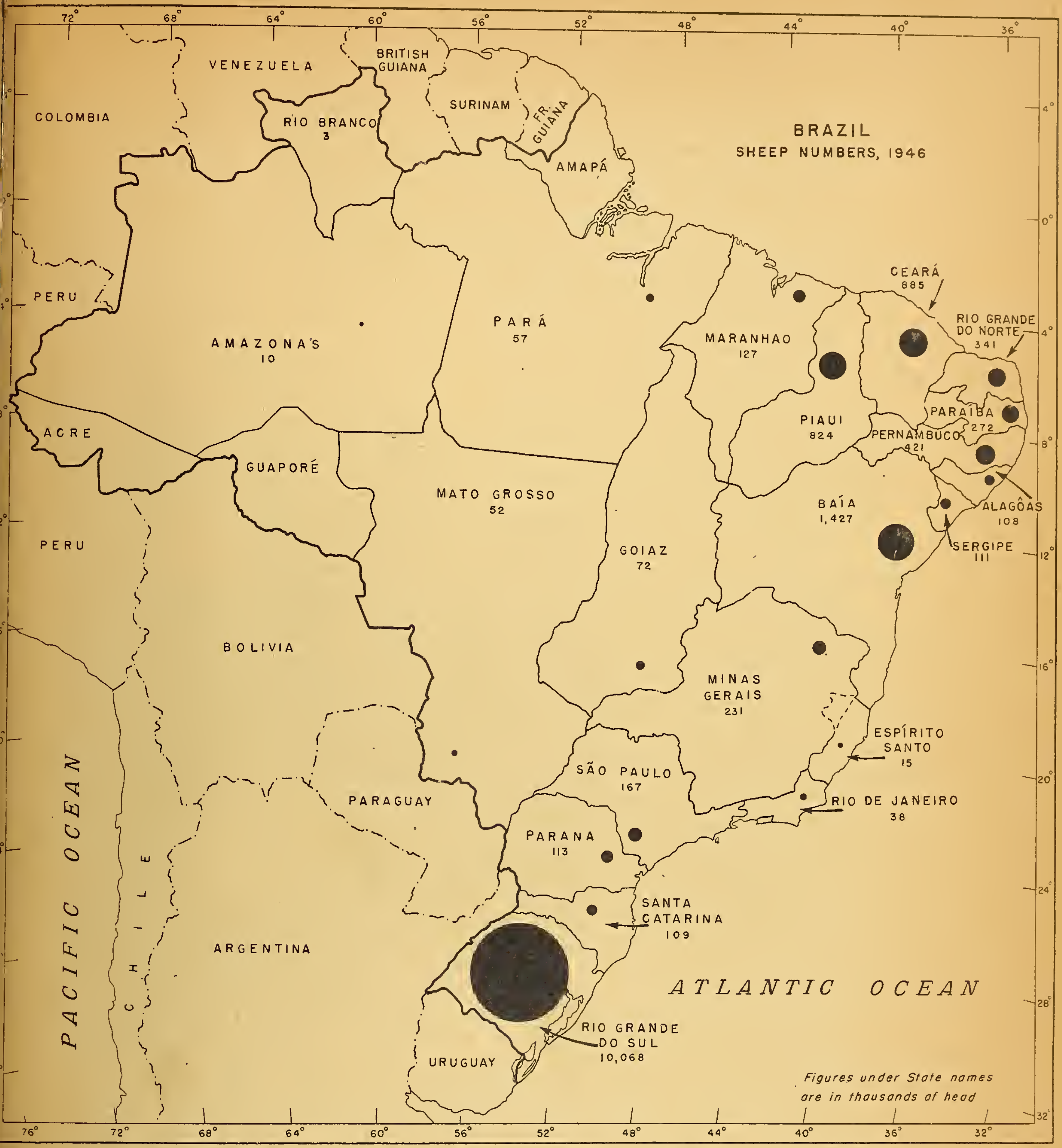
Brazilian wool textiles are not exported to any extent. Statistics are not available on this subject, but the sizable wartime exports to Uruguay and Argentina have undoubtedly stopped. The drop in demand for Brazilian wool textiles by nearby countries and the large imports of wool textiles in 1948 inevitably resulted in a renewed demand for increased tariff protection. The producers of raw wool are not affected adversely by the relatively small imports of finer grades of raw wool, for reasons mentioned above, but agitation for increased tariffs on wool textiles may achieve results.

The Brazilian Government granted import licenses for wool textiles liberally in 1948 in an attempt to consume blocked balances in certain foreign countries. These large imports of wool yarn and textiles are naturally a matter of considerable interest to the industry. In December 1948 the workers of the wool industry in Sao Paulo, Rio de Janeiro and Rio Grande do Sul addressed a communication to the Export-Import Department of the Bank of Brazil requesting protection against imports of both woolen textiles and yarn. This communication points out the "saturation" of the national market with "most serious results" for the whole national industry. It also pointed out the increase in bankruptcies among wholesale houses and importers, and requested that imports of wool textiles be limited to 110,230 pounds annually - quite a reduction from the importation of nearly 1,543,220 pounds in 1948.

This view is, of course, supported by numerous private elements in the local industry who say there is no longer an outlet for all of the national production and that unless some other relief is obtained, export markets for the surplus may have to be sought. They lament the preference for foreign wool textiles, and feel that the national industry could satisfactorily take care of Brazilian necessities.

Opinion gathered from important Sao Paulo manufacturers of wool textiles varies somewhat on the extent to which their market has been affected by imports. The Consulate General in Sao Paulo reports that one of the principal Sao Paulo manufacturers of wool goods recently said that imports have had a depressive effect on the market but not as yet to an alarming degree. The larger manufacturers are still in good condition, according to this source. They have not been obliged to lower their price levels appreciably and there are still sales for most of the national output, although the situation is becoming increasingly difficult.

On November 12, 1949, Decree Law 8819 of January 24, 1946, which reduced wool import tariffs, was revoked and Law 911 was promulgated, increasing the import duties on wool and wool goods to somewhere near the 1945 rates. These rates are provisional to the ex tent that they conflict with rates negotiated under GATT.



BRAZIL
SHEEP NUMBERS, 1946

Figures under State names are in thousands of head

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